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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/787,212	07/16/2001	Ryuichi Ugajin	9794353-014	6085

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EXAMINER	
HOLMES, MICHAEL B	
ART UNIT	**PAPER NUMBER**
2121	

DATE MAILED: 09/28/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	09/787,212	UGAJIN ET AL.	
	Examiner	Art Unit	
	Michael B. Holmes	2121	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE (3) MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *08 July 2005*.

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-23* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-23* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☐ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____.
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: _____.

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Examiner's Detailed Office Action

1. This Office Action is responsive to communication received on July 08, 2005. Amendment "A" under 37 CFR § 1.111 i.e., reconsideration and allowance of application is respectfully requested by applicant.

Claim Rejections - 35 USC § 101

2. 35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

The invention as disclosed in claims 1-23 is directed to non-statutory subject matter. Claims 1-23 are claimed to be practiced on a computer-readable medium. However, it is not clear that these claims are limited to a specific practice in the technological arts. On that basis alone, the claims are clearly non-statutory. Regardless of whether the claims are in the technological arts, none of them are limited to a practical applications in the technological arts. Examiner finds that *In re Warmerdam*, 33 F.3d 1354, 31 USPQ2d 1754 (Fed. Cir. 1994) controls the 35 USC § 101 issues

on that point for reasons made clear by the Federal Circuit in *AT&T Corp. v. Excel Communications, Inc.*, 50 USPQ2d 1447 (Fed. Cir. 1999).

Specifically, the Federal Circuit held that the act of:

> "taking several abstract ideas and manipulating them together adds nothing to the basic equation." *AT&T v. Excel* at 1453 quoting *In re Warmerdam*, 33 F.3d 1354, 1360 (Fed. Cir. 1994).

Examiner contends that Applicant's invention i.e., "a method for making a fractural structure" is just an idea, in the abstract. Examiner bases his position upon guidance provided by the Federal Circuit in *In re Warmerdam,* as interpreted by *AT&T v. Excel.* This set of precedents is within the same line of cases as the *Alappat-State Street Bank* decisions and is in complete agreement with those decisions. *Warmerdam* is consistent with State Street's holding that:

> "Today we hold that constitutes a practical application of a mathematical algorithm, formula, or *the transformation of data, representing* ***discrete dollar amounts*** *by a machine through a series of mathematical calculations into a final share price,* calculation because it produces a useful, concrete and tangible result" -- *a final share price momentarily fixed, for recording put-poses and even accepted and relied upon by regulatory authorities and in subsequent trades.*" (emphasis added) *State Street Bank* at 1601.

True enough, that case later eliminated the "business method exception" in order to show that business methods were not per se non-statutory, but the court clearly *did not* go so far as to make business methods *per se statutory*. A plain reading of the excerpt above shows that the Court was *very specific* in its definition of the new *practical application*. It would have been much easier for the court to say that "business methods were per se statutory" than it was to define the practical application in the case as "...the transformation of data, **representing discrete dollar amounts**, by a machine through a series of mathematical calculations into a final share price..."

The court was being very specific.

Additionally, the court was also careful to specify that the useful, concrete, and tangible result, it found was "a final share price momentarily fixed for recording purposes and even accepted and **relied upon by regulatory authorities and in subsequent trades**."

Applicant cites no such specific results to define a useful, concrete and tangible result. Neither does Applicant specify the associated practical application with the kind of specificity the Federal Circuit used.

Furthermore, in the case *In re Warmerdam*, the Federal Circuit held that:

> "**the dispositive issue** for assessing compliance with Section 101 in this case is whether the claim is for a process that goes beyond **simply manipulating 'abstract ideas' or 'natural phenomena'** ... As the Supreme Court has made clear, `[a]n idea of itself is not patentable, ... *taking several abstract ideas and manipulating them together adds nothing to the basic equation." In re Warmerdam* 31 USPQ2d at 1759 (emphasis added).

In the present case, the Examiner finds that Applicant manipulates a set of *abstract ideas,* to fabricate an "analogizing systems." Under *Warmerdam*, the result of such manipulations is not statutory.

Since *Warmerdam* is within the *Alappat-State Street Bank* line of cases, it takes the same view of "useful, concrete, and tangible" the Federal Circuit applied in *State Street Bank.* Therefore, under *State Street Bank*, this could not be a "useful, concrete and tangible result". There is only manipulation of abstract ideas.

The Federal Circuit validated the use of *Warmerdam* in its more recent *AT&T Corp. v. Excel Communications, Inc., decision.* The court noted that:

> "Finally, the decision in the *In re Warmerdam*, 33 F.3d 1354, 1360 (Fed. Cir. 1994) is not to the contrary. *** The court found that the claimed process did nothing more than **manipulate mathematical constructs** and concluded that *taking several abstract ideas and manipulating them together adds nothing to the basic equation.";* hence the court held the claims were properly rejected under 101 ... Whether one agrees with the court's conclusion on the facts, the holding of the case is a straightforward application of the basic principle that mere laws of nature, natural phenomena, and abstracts are not within the categories of

> invention or discoveries that may be patented under § 101." (emphasis added) *AT&T Corp. v. Excel Communications, Inc.*, 50 USPQ2d 1447, 1453 (Fed. Cir. 1999)

The fact that the invention is merely the manipulation of *abstract ideas* is indisputable. The object referred to by Applicant's phrase "one or more category hierarchies" is simply a logical constructs in the abstract. Consequently, the necessary conclusion under *AT&T, State Street* and *Warmerdam,* is straightforward and clear. The claims take several abstract ideas and manipulate them together adding nothing to the basic equation.

Therefore, claims 1-23 are rejected under 35 USC § 101.

Finally regarding "computer-readable medium" recitals in claims 1-23. The invention is still found to be non-statutory. Any other finding would be at variance with current case law. Specifically, the Federal Circuit held in *AT&T Corp. v. Excel,* 50 USPQ2d 1447 (Fed. Cir. 1999) held that:

> "Whether stated implicitly or explicitly, we consider the scope of Section 101 to be **the same regardless of the form** -- machine or process -- in which a particular claim is drafted." *AT&T Corp. v. Excel,* 50 USPQ2d 1447, 1452 citing *In re Alappat*, 33 F.3d at 1581, 31 USPQ2d at 1589 (Rader, J., concurring)

Examiner considers the scope of Section 101 to be the same regardless of whether Applicant *claims* a "process," "machine," or "product of manufacture." While the "computer-readable medium" recitals of claims 1-23 make the claims drawn to "product of manufacture," they are **insufficient by themselves** to limit the claims to statutory subject matter. Examiner's position is clearly consistent with *Alappat,* and *AT&T* and is implicitly consistent with Warmerdam and State Street.

Claim Rejections - 35 USC § 112

3. The following is a quotation of the first paragraph of 35 U.S.C. 112:

> The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claims 1-23 are rejected under 35 U.S.C. 112, first paragraph, as containing subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. Applicant's has failed to clearly set forth a practical application i.e., "lack of utility" for his invention. The 35 U.S.C. 112, first paragraph, rejection indicates that because the invention as claimed does not have utility, a person skilled in the art would not be able to use the invention as claimed, and as such, the claim is defective under 35 U.S.C. 112, first paragraph. Office personnel should impose a 35 U.S.C. 112, first paragraph, rejection grounded on a "lack of utility" basis when a 35 U.S.C. 101 rejection is proper. *see* MPEP § 2107 (IV)

Examiners Summary

4. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

5. A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37

CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Correspondence Information

6. Any inquires concerning this communication or earlier communications from the examiner should be directed to Michael B. Holmes, who may be reached Monday through Friday, between 8:00 a.m. and 5:00 p.m. EST. or via telephone at (571) 272-3686 or facsimile transmission (571) 273-3686 or email Michael.holmesb@uspto.gov.

If you need to send an Official facsimile transmission, please send it to (571) 273-8300.

If attempts to reach the examiner are unsuccessful the Examiner's Supervisor, Anthony Knight, may be reached at (571) 272-3687.

Hand-delivered responses should be delivered to the Receptionist @ (Customer Service Window Randolph Building 401 Dulany Street Alexandria, VA 22313), located on the first floor of the south side of the Randolph Building.

Michael B. Holmes
Patent Examiner
Artificial Intelligence
Art Unit 2121
United States Department of Commerce
Patent & Trademark Office

Wednesday, September 21, 2005

MBH

Anthony Knight
Supervisory Patent Examiner
Group 3600